

# **SMALL BUSINESS LOAN FUND CORPORATION**

## **MINUTES OF THE BOARD OF DIRECTORS EMERGENCY MEETING**

**November 29, 2011**

### **PUBLIC SESSION**

An emergency meeting of the Board of Directors (the "Board") of the Small Business Loan Fund Corporation (the "Corporation") was held in public session at the offices of the Rhode Island Economic Development Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island on November 29, 2011 at approximately 11:00 a.m., pursuant to notice of the meeting to all Directors, and public notice of the meeting as required by the By-Laws of the Corporation and by Rhode Island General Law 42-46-6.

The following Directors were present and participated throughout the meeting: Mr. Raymond Fogarty, Mr. Richard DeMerchant, Mr. William Parsons, Mr. Thomas Stocker, and Ms. Leslie Taito.

The following Director(s) were absent: None

Also present were: Sean W. Esten, Corporation Administrator, Steve Noack, Corporation Administrator, Earl Queenan, Managing Director of Finance, Chris Cannata, Corporation Staff, and Tom Moses, Moses & Afonso, Ltd.

Mr. Fogarty presided over the meeting.

#### **1. Call to Order.**

Mr. Fogarty called the meeting to order at 11:15 a.m.

#### **2. Final approval of Resolution with BetaSpring regarding SSBCI Funding**

Mr. Queenan advised the Board that the Resolution with BetaSpring had some slight revisions since last presented (Exhibit A); however the attachments which were part of the document, and require final review from the Board, were not available at this time. This matter is to be tabled until the next regularly scheduled meeting of the Board for final approval.

#### **3. Final approval of Resolution with Slater regarding SSBCI Funding**

Mr. Queenan advised the Board that the Resolution with Slater at this time is incomplete as there was some objection on Slater's behalf regarding the reporting requirements attached to the funding. This matter is to be tabled until the next regularly scheduled meeting of the Board for approval.

#### **4. Discussion Regarding SSBCI Fund Allocation**

Mr. Queenan indicated that the funding of the first tranche of SSBCI funds, in the amount of \$4.3 million, must be received by SBLFC by Monday, December 5, 2011 or the funds will be returned to the US Treasury. The original allocation for the first tranche was for BetaSpring to receive \$1.4 million, Slater to receive \$1.2 million, and SBLF to receive \$1.5 million. Due to the inability to finalize an agreement with Slater, it is not anticipated that an agreement can be made in time which would allow the entity to receive funds from this first tranche which consists of 33% of the total funds (\$13.1 million). Mr. Queenan asked that the Board vote to approve an allocation of \$1.4 to BetaSpring, and the balance of \$2.9 million, to the SBLFC. He advised the Board that they have the authority to change the allocation of the original \$13.1 million, by 10%. Anything above 10% would require approval from the US Treasury. Mr. Queenan felt that since it is required that 80% of this \$4.3 million be out and committed to actual projects prior to requesting the second tranche, this would be the best way to start the process, rather than waiting until a final agreement is made with Slater. He stated that overall, the \$13.1 million must be drawn down in 18 months or the excess funds will be returned to the Treasury.

There being no further discussion, Mr. Fogarty asked that a motion be made. A motion was made by Mr. Parsons to approve the allocation of \$1.4 million to BetaSpring and \$2.9 million to SBLFC with the release of funds to BetaSpring subject to final review of the complete Resolution, including all attachments. The motion was seconded by Mr. Stocker.

The following Directors voted in favor of the foregoing: Mrs. Taito, Mr. DeMerchant, Mr. Stocker and Mr. Parsons.

The following Directors voted against the foregoing: None

The following Directors were absent for the vote: None

#### **5. Other Business**

There was a brief discussion regarding the status of the agreement for SSBCI funding with Slater. Mr. Queenan indicated that should delays continue with the agreement there was the option to find another partner, however since the allocation of funds would change significantly, approval would be required by the US Treasury.

There being no further business to come before the Board, Mr. Fogarty called for a vote to adjourn the meeting. Upon motion duly made by Mr. Stocker and seconded by Ms. Taito, the motion to adjourn the meeting was duly adopted.

The following Directors voted in favor of the foregoing: Mr. DeMerchant, Mr. Parsons, Mr. Stocker and Ms. Taito.

The following Directors voted against the foregoing: None.  
The following Directors were absent for the vote: None

The meeting was adjourned at 12:01 p.m.

Respectfully submitted,

/s/ Sean Esten  
Sean W. Esten, Administrator

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